GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3180
ANSWERED ON:14.08.2003
MARKETING MARGIN OF OIL PSUS
CHARAN DAS MAHANT

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government are aware that the marketing margin of oil PSUs has increased on the sale of diesel and petrol after the dismantling of APM;

(b) if so, whether the increased costs of salaries, electricity, depreciation and competition etc. are main factors affecting adversely on the economic viability of retail outlets;

(c) if so, whether such factors also adversely affect the economic viability of petrol pump dealers;

(d) if so, whether the oil PSU`s are taking care of the situation regarding the viability of dealers and Coco operators;

(e) whether the remuneration of Coco Operators was initially fixed as 80 percent of dealers commission in principal;

(f) if so, whether this formula has been dropped or amended; and

(g) if not, the time by which the same shall be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. SUMITRA MAHAJAN)

(a) to (d): With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1.4.2002, the Government is no longer fixing the dealers` commission on petrol and diesel, which is now being fixed by the oil companies.

The oil companies had last revised the dealers` commission effective 1.11.2002. As per this revision, the dealers` commission on petrol was increased from Rs.613 per KL to Rs.639 per KL and on diesel from Rs.365 per KL to Rs.385 per KL. The dealers` commission comprises of various components which inter-alia include salary and wages, electricity charges etc.

(e): No, Sir.

(f) & (g): Do not arise in view of (e) above.